Sept 9, 2005

To: Paul Stoker, WACD President

From: WACD Livestock Committee

Cc: WACD Officers and Directors

WA State Conservation Commission

Re: Funding Recommendations for Livestock Funding

The WACD Livestock Committee met several times over the last few month to discuss in great length the distribution of funding for the next biennium related to cost-share distribution to districts. The committee has developed three priorities based on the original legislative request that we will present to the Washington State Conservation Commission at their regular business meeting on September 15, 2005.

WACD Livestock Committee Recommendation

Industry groups will be informed of the available funding, and be advised that they have until July 31st, 2006 to get to the districts and apply for assistance. There is some concern with the committee if there is not a deadline set, the funds will not be spent in a timely manner to meet the end of the biennium.

Cost Share distribution as follows:

Priority will go to those producers of production agriculture or commercial facilities. District boards will approve applications based on knowledge that the facility is indeed a commercial facility. The CD board will verify the operations on their own set criteria.

(Examples of criteria)-

Document that the planner or board has seen or verified that:

- The producer files a Schedule F for tax purposes.
- The planner or board can verify the facility is designated as Open Space Ag
- The planner or board can document that the farm is viewed by the community as a commercial facility.

The District Board must establish the criteria they will allow prior to submitting any cost-share applications for funding to ensure integrity of the selection process.

Cost Share will <u>only</u> be distributed to the following types of operations until the funds are spent of the July 31st, 2006 deadline:

- #1 Known CAFOs needing assistance (AFOs by EPA regulation definition that have runoff reaching surface water).
- #2 Keeping AFOs from becoming CAFOs.
- #3 Other livestock operations with compliance orders or complaints/referrals to districts.

Examples of such operations will be given to districts with the contracts of what operations will fall under these criteria. (Explain what it would look like for a facility that is an AFO that could be designated a CAFO).

Plans for these operations, landowner agreements must be done by July 31st, 2006. Projects must be implemented by October 31st, 2006

After July 31st, 2006 monies that are not earmarked for projects will be opened up to all other livestock operations. This could include non-commercial agriculture OR pasture-based operations with water quality issues.

However, these projects will be prioritized based on self-assessment tool information at each district.

Funding caps to be used for all operations:

-AFO/CAFO - Poultry

Cost Share Priorities

Producers are eligible for up to 75% cost share from these funds, and the remaining 25% may come from any other source including but not limited to state, federal, or other grant opportunities. District boards may choose to limit their own producers to less than 75% OR use other existing funds to cover cost-share in an effort to limit the use of these funds. The expectation is that this can possibly extend these dollars to those in greater need.

AFO / CAFO - Producers that must have a permit due to CAFO regulations \$10,000 - Non-dairy with potential to be designated - Update existing Dairy NMPs as needed -Implement Dairy NMPs updated to meet new CAFO regulations \$10,000 -Feedlots for runoff management

Maximum Cost Share Amount

\$10,000

\$25,000

The distribution for remaining TA funds will be determined following the final September deadline for the initial grant round to districts that they have already received. Need will be determined from these survey results sent in to the Commission. There will be a follow-up memo sent out to all districts to reiterate the importance for them to use the self-assessment tool and developed informational brochure, workshops or public meetings for this survey information, as well as the importance of returning the survey to the Commission if they are in need of additional TA dollars.

Districts should work with their local NRCS office to assist livestock producers that have previously applied for EQIP funding, but were not funded.